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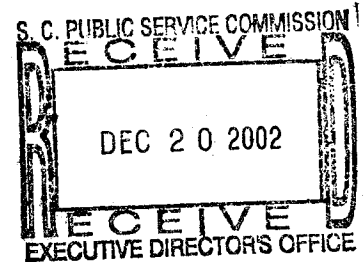
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CHAPIN, SOUTH CAROLINA 29036

2003-0007 December 19, 2002

Gary E. Walsh, Executive Director
PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
PO Drawer 11649
Columbia SC 29211



Re: STEPHENSON LAKES WATER SYSTEM
APPLICATION FOR METER-BASED WATER DISTRIBUTION FEES

Dear Mr Walsh:

Dowd Water Systems, by Sue Dowd, President, has entered into a "Bulk Water Supply Agreement with the Town of Chapin for interconnection with Stephenson Lakes S/D, pursuant to "Option B" of Consent Order in Case #2001-459-W.

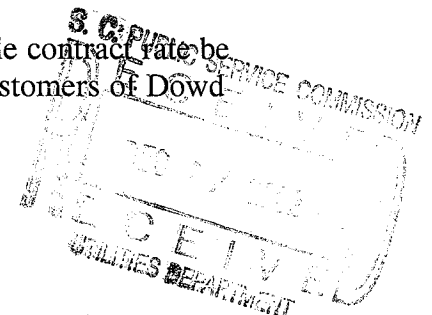
The "Bulk Water Supply Agreement" between Dowd Water Systems Inc and the Town of Chapin was reviewed by the Public Service Commission of South Carolina in Case #2002-156-W and approved in Order #2002-658 dated September 13, 2002. In that Order, the Public Service Commission "[held] in abeyance the issue of approval of rates connected with that bulk water purchase at this time. We will visit the issue of such rates in a future proceeding".

I.

The "Bulk Water Supply Agreement" has now been implemented, in that the interconnection with the Amicks Ferry Water System, owned and operated by the Town of Chapin, has been completed at Caro Lane and Lakeside Drive with the installation of a master meter, the existing wells have been disconnected from the Stephenson Lakes water system, and the residents of Stephenson Lakes are now served with water originating from the City of Columbia Water Plant through the Amicks Ferry Water System.

As a result of the interconnection, Dowd Water Systems Inc is paying a bulk rate to the Town of Chapin as set out in the "Bulk Water Supply Agreement", at the rate of \$66.00 base meter fee + (8.81 x 25 customers = 220.25) = \$286.25 base rate plus \$3.50/1000 gallons per month.

Now comes Dowd Water Systems Inc and requests that the wholesale contract rate be approved, and that it be permitted to pass-through this rate to the customers of Dowd



Water Systems Inc in Stephenson Lakes, plus a reasonable surcharge for expenses of maintenance and administration.

II.

Pursuant to Public Service Commission Order #2001-747 dated August 15, 2001, in Docket # 2001-75-W, Dowd Water Systems is currently charging its water customers in Stephenson Lakes a flat rate of \$51.00 per month.

Dowd Water Systems Inc is proceeding with installation of individual water meters at each customer's residence.

Now comes Dowd Water Systems Inc. and respectfully requests Commission approval of Meter-Based Water Distribution Fees to be charged to existing and future water customers with meters installed in STEPHENSON LAKES S/D pursuant to PSC Regulation R.103-724(B).

The proposed Water Distribution Fee schedule for Dowd Water System customers on meters in Stephenson Lakes is formulated as follows:

Base Master-Meter Rate to Town of Chapin (3" master-meter)

\$66.00 allocated to 25 customers:	2.64
Chapin Recoupment fee-Amicks Ferry Water System:	8.81
Minimum rate for delivery up to 1000 gal. per customer:	3.50
Monthly maintenance/monitoring fee (per 1000 gal)	2.25
Monthly billing/administration fee:	5.20
Total minimum base fee per customer/ up to 1000 gal:	22.40

Additional metered monthly rate per 1000 gals: 5.75

(3.50 Chapin wholesale charge plus 2.25)

Example:	4000 gals/mo: 22.00 + 17.25:	39.25
	6000 gals/mo: 22.00 + 28.75:	50.75
	9000 gals/mo: 22.00 + 46.00:	68.00

Further, Dowd requests that this rate schedule be made adjustable so as to incorporate future rate changes as ordained by the Town of Chapin, without the necessity of re-applying due to such action by Town Council, pursuant to Paragraph 6 of the "Bulk Water Supply Agreement which states: "The initial billing rates specified in Paragraph 5 above may be increased by Chapin, from time to time, by Ordinance".

Respectfully submitted:

David W Knight
Attorney for DWSI

